



V.J. ST. PIERRE, JR.
PARISH PRESIDENT

ST. CHARLES PARISH

RISK MANAGEMENT OFFICE

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MONIQUE GRANIER, OHST, CRM, CIC, CWCP
RISK MANAGER

MEMORANDUM

TO: V.J. St. Pierre, Jr., Parish President

FROM: Monique Granier, OHST, CRM, CIC *my*
Risk Management Officer

RE: 2012 Risk Management Office Annual Report

Continued Risk Management Office Accomplishments:

"Risk Management is the practice of protecting an organization from financial harm by identifying, analyzing, and controlling risk at the lowest possible cost."

Risk Management is an ongoing process of identifying exposures, measuring them against the Parish's loss withstanding capabilities, and the handling of risk with appropriate control, transfer and financing techniques.

The Risk Management Office continued success is accomplished as a team effort in working with all other departments and support from the Administration. The Risk Management Team successfully mitigates claims immediately and proactively by having at least one person on call 24/7 for 365 days a year.

I. GENERAL LIABILITY & AUTO LIABILITY INSURABLE CLAIMS:

- The Parish currently has an SIR (Self Insured Retention) or a deductible, if you will, of \$50,000 per occurrence with an Aggregate or a limit/cap of \$500,000. All claim costing in excess of the SIR means the insurance company pays this portion up to the policy limit. Our Insurance Carrier Traveler's and our TPA Gallagher Bassett reviews all claims activity, but especially those above the SIR.
- The Parish now has a flat fee payment for claims handled by our 3rd Party TPA because Risk Management handles all claims with exception of bodily injury per the insurance contract.
- **The Parish has filed 16 insurable claims for 2012.**
- The current policy period is 03/01/11 –03/01/12 therefore;
 - **The annual report is due two months prior to the policy period ending.**
 - **The final figures and overall costs WILL increase**

- The annual report cannot reflect the potential lawsuits that maybe filed in 2013 for the 2012 policy period (claimants have one year after incident to file a lawsuit).
- Of the 16 **insurable claims made for the 2012 policy period (14) currently total \$29,443.72 of the \$500,000 Aggregate or SIR (Self Insured Retention that is a significant cost savings from the prior year.**
- In 2011, the Parish had 21 insurable claims at \$122,382.79 of the \$500,000 Aggregate or SIR (Self Insured Retention Fund).
 - 2011 policy period has one open 3rd party bodily injury claim whereby the insurance carrier has the potential to payout more funds on the claim.
 - In 2010 the Parish had 15 SIR claims totaling \$217,865.41 with one 3rd party bodily injury claim open whereby the insurance carrier has the potential to payout more funds on the claim.
 - Overall the last three years, the general liability and auto liability claims frequency and costs has been **DECREASING** (see charts the General and Auto Liability Charts attached).

II. PROPERTY INSURANCE CLAIMS:

- The Parish deductible for property damage claims is **\$100,000 SIR (per occurrence)** with named storms having a much higher deductible.
- The Property Policy Period for 2012 extends from 4/1/2012 to 4/1/2013 meaning there are three months left in the policy.
- Since my tenure in 2000, the Parish only exceeded the \$100,000 property deductible (3) times: Courthouse and East & West Bank Waterworks intake structure damages.
- Overall, the property damage claims have been increasing in frequency and cost (See the Property Loss Charts attached).
- **All below the 100,000 deductible** Property Claims in 2010, the Parish had (6) SIR property claims at a cost of \$21,942.22, in 2011 (5) SIR property claims at a cost of \$42,647.59 and in 2012 to date (8) SIR property claims at a cost of \$44,093.71. The majority of these claims are weather related (lightning strike) damages to Parish infrastructure.
- The Risk Management department adds new buildings to the property list to include an “in house” appraisal to determine insurable values using a nationally recognized appraisal system by Marshal and Swift. The appraisals completed in house saves the Parish tens of thousands of dollars and consists of a professional property appraisal file.

III. IN HOUSE LOSS FUND CLAIMS:

- The in house losses consist of claims for \$1,600 or less and includes up to a \$10,000 deductible for auto physical damage (first party damage only). All Parish Departments put into the in house loss fund annually to pay for “expected Losses” related to our general operations of Parish Government. Expected Losses known as “the losses we expect pay for minor damages and settlements in the cost of doing business” must stay absorbed within the Parish budget to avoid insurance premium increases.
- In 2012, the Risk Management Office handled 143 in house losses at a cost of roughly \$45,325.00
- In 2011, 170 “in house loss claims” at cost of \$48,526.61.

IV. WORKER’S COMPENSATION CLAIMS:

The Parish continues to have CCMSI (Cannon Cockran Management Services Incorporated) as our Worker’s Compensation Administrator.

- In 2010, the Parish had 63 claims at a cost of \$278,763.66.
- In 2011, the Parish had only 45 claims costing in payouts to date of \$1,053,053.00. The Parish had (1) catastrophic claim for one employee that makes up 90% of the cost for the entire year.
- In 2012, the Parish had 75 claims costing \$122,677.10 (this cost will increase as claims mature and close out in 2013.)
- *Note: Work Comp claims do not fully mature until five years out meaning the claims costs may increase.
- St. Charles Parish purchases Worker’s Compensation Insurance under a “SIPP” known as a Loss Sensitive Incentive Premium Program whereby the Parish has the potential to receive safety incentives based off our performance. * This type of insurance is rarely offered to government agencies and the Parish overall has saved money on premiums with this program.
- Risk Management continues to strive to reduce employee injury and facilitate high quality medical services for our injured employees at the St. Charles Parish Occupational Clinic versus the Emergency Room that is saving the Parish money.

V. OTHER DUTIES:

- The Risk Management Office is responsible for having all trees that are requested to be cut down by the Public and In house Departments reviewed to assure that the tree is legally on Parish servitude prior to writing a work order for the tree removal. Risk Management works with the LSU County Agent to determine the healthiness of trees in some cases.
- The Risk Management Office also investigates countless residential complaints, public safety concerns, employee safety related complaints, employee accidents, injuries, internal theft, external theft and vandalism and assures someone responds twenty four hours a day, three hundred and sixty five days a year.
- Review of the Department of Motor Vehicles Records for 350 Parish drivers twice .

- annually.
- Conducts Streets/Road Inspection
- Inspects Wastewater Oxidation Pond for DEQ annually
- Park and Playground Inspections
- Risk Management spends 80% of field time with Public Works, 10 % Wastewater, and 10% Recreation Department as the losses and injuries dictate.

VI. LITIGATION MANAGEMENT:

- The continued practice of active Risk Management in all actual and potential claims along with support from all Departments and the Administration continues to minimize litigation against the Parish.
- Risk Management is involved in only insurable law suits.
- Risk Management works closely with our 3rd party TPA Gallagher Bassett investigating and putting together a defense strategy for claims we see are headed for a lawsuit.
 - A. An example is bodily injury claim for Recreation whereby we advised the plaintiff's attorney of land mark Louisiana Supreme Court ruling whereby our Parks have immunity and if a suit is filed, that the Parish would file for motion summary to dismiss based off prior Supreme Court Ruling. To date, no suit has been filed.
 - B. Another example is a potential lawsuit whereby Risk Management and TPA Adjuster authorized surveillance video that will be used to deter claimant from filing a lawsuit or minimize the loss payout.
- The Parish currently has four open insurable lawsuits that Risk Management and other Parish Departments are working closely with the Attorney representing St. Charles Parish.
 - A. One suit involves a bodily injury on the spillway road whereby the Parish has spent to date \$28,808.32 of the \$50,000 SIR on legal defense.
 - B. One suit involves a bodily injury on a catch basin whereby the Parish has spent \$12,780.00 of the \$50,000 SIR on legal defense.
 - C. One suit has exceeded the \$50,000.00 and has been taken over by our insurance carrier Travelers.
 - D. One suit has exceeded the \$50,000 and has been taken over by our insurance carrier Travelers.

VI. The Risk Management Office Coordinated, facilitated, and/or assisted, or conducted Safety Training in 2012 and maintains record keeping.

- Defensive Driving Training for all regular drivers
- Risk Management sends out five safety meeting topics a month on a variety of related topics for Public Works, Waterworks, Recreation, Government Buildings, Wastewater and Animal Control.
- The Training Coordinator position was left vacant and remains unfilled.

VII. Risk Management Office provides ongoing consultation and recommendations to the Administration, Department Heads, Assistant

Directors, etc. regarding:

- Workplace Safety and Health
- Environmental (HBV, DEQ)
- Formal Written Reports to the Parish President
- Loss Control/ Loss Prevention - Liability
- Parish Contracts for hold harmless/indemnity agreements and insurance reviews for Parish contracts
- Public Works Streets and Roads Conditions and Park Inspections Reports
- Continued work with disaster drills to include homeland security, nuclear accident, hurricanes, chemical releases, etc.

VIII. RISK MANAGEMENT TRAINING/CERTIFICATION

- Risk Management Officer has 19 years of experience in Government Entity Risk and maintains four separate professional certifications whereby each requires mandatory continuing education annually to include:
 1. **OHST** (Occupational Health & Safety Technologist) by the board of certified safety professionals
 2. **CRM** (Certified Risk Manager) by the National Alliance for Insurance
 3. **CIC** (Certified Insurance Counselor) by the National Alliance for Insurance.
 4. **CWCP** (Certified Worker's Compensation Professional
- The Assistant Risk Management Officer's professional certification is a **(COSS)** Certified Occupational Safety Specialist by The National Safety Council.
- The professional training keeps our safety and risk management programs effective and strong with continued ways to improve and contain losses.

Ultimate Conclusion:

- Risk Management within all aspects of Parish Operations strives for improvement in minimizing, preventing, controlling, and/or avoiding accidents and incidents that affect the bottom line of the Parish Budget.

Department	Costs in Dollars
Gov: Bldgs	~4,000.00
Public Works	~4,000.00
Recreation	~1,000.00
Gov: Bldgs	~5,000.00
waterworks	~20,000.00
wastewater	~4,000.00
waterworks	~42,000.00
wastewater	~49,000.00
wastewater	~1,000.00
wastewater	~12,000.00
wastewater	~1,000.00
wastewater	~12,000.00
wastewater	~1,000.00
wastewater	~12,000.00
wastewater	~1,000.00
Public Works	~49,000.00

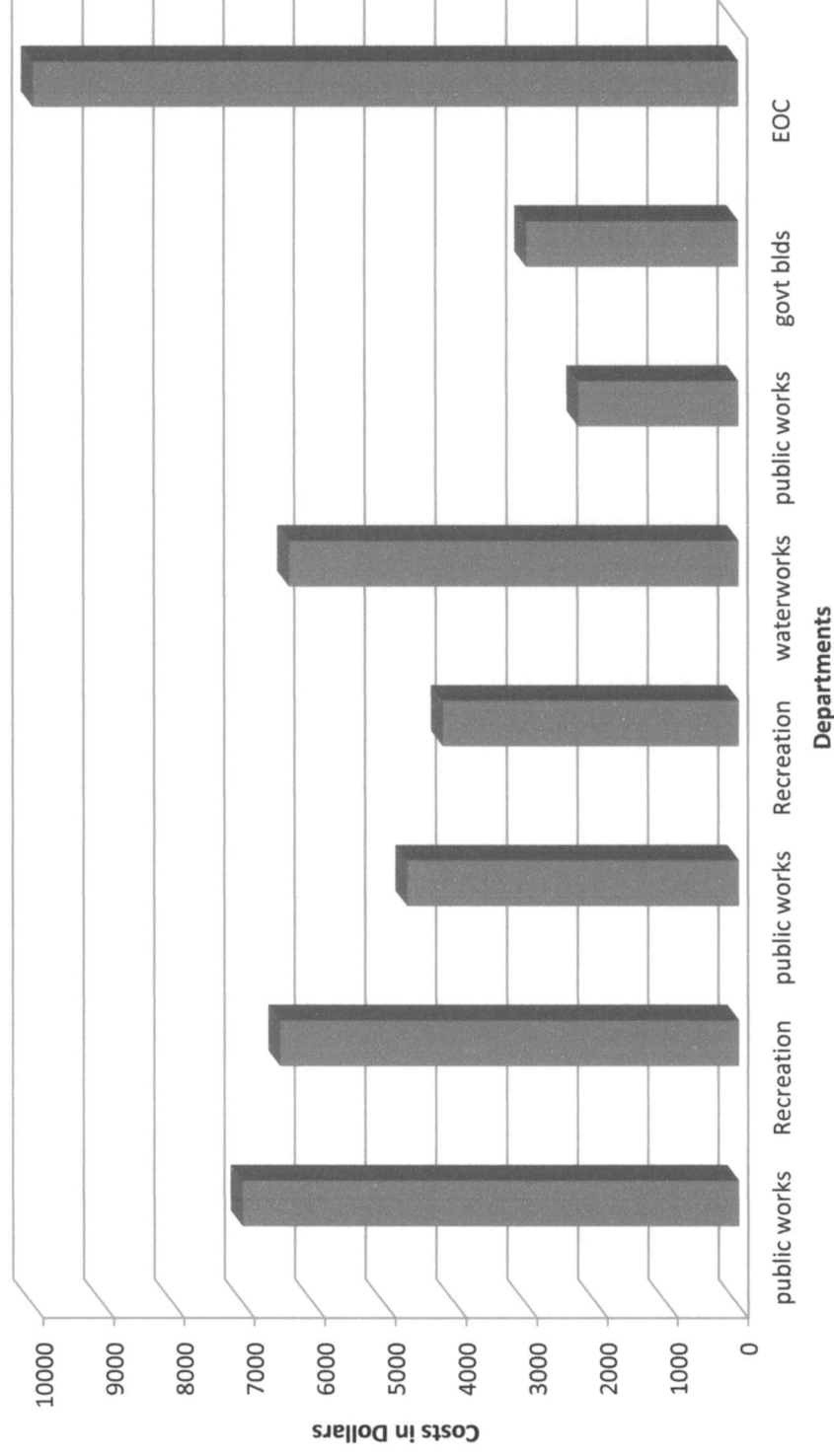
1. All claims were paid b Parish SIR Fund (Self Insured Retention)
2. Parish General and Auto Liability deduction is \$50,000 per occurrence
3. Policy Period 3/1/2010 – 3/1/2011

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1. All claims were paid by Parish SIR Fund (Self Insured Retention)
2. Parish General and Auto Liability deduction is \$50,000 per occurrence
3. *One-third party bodily injury claim remains open with the potential to increase claims cost
4. Policy Period 3/1/2011 – 3/1/2012

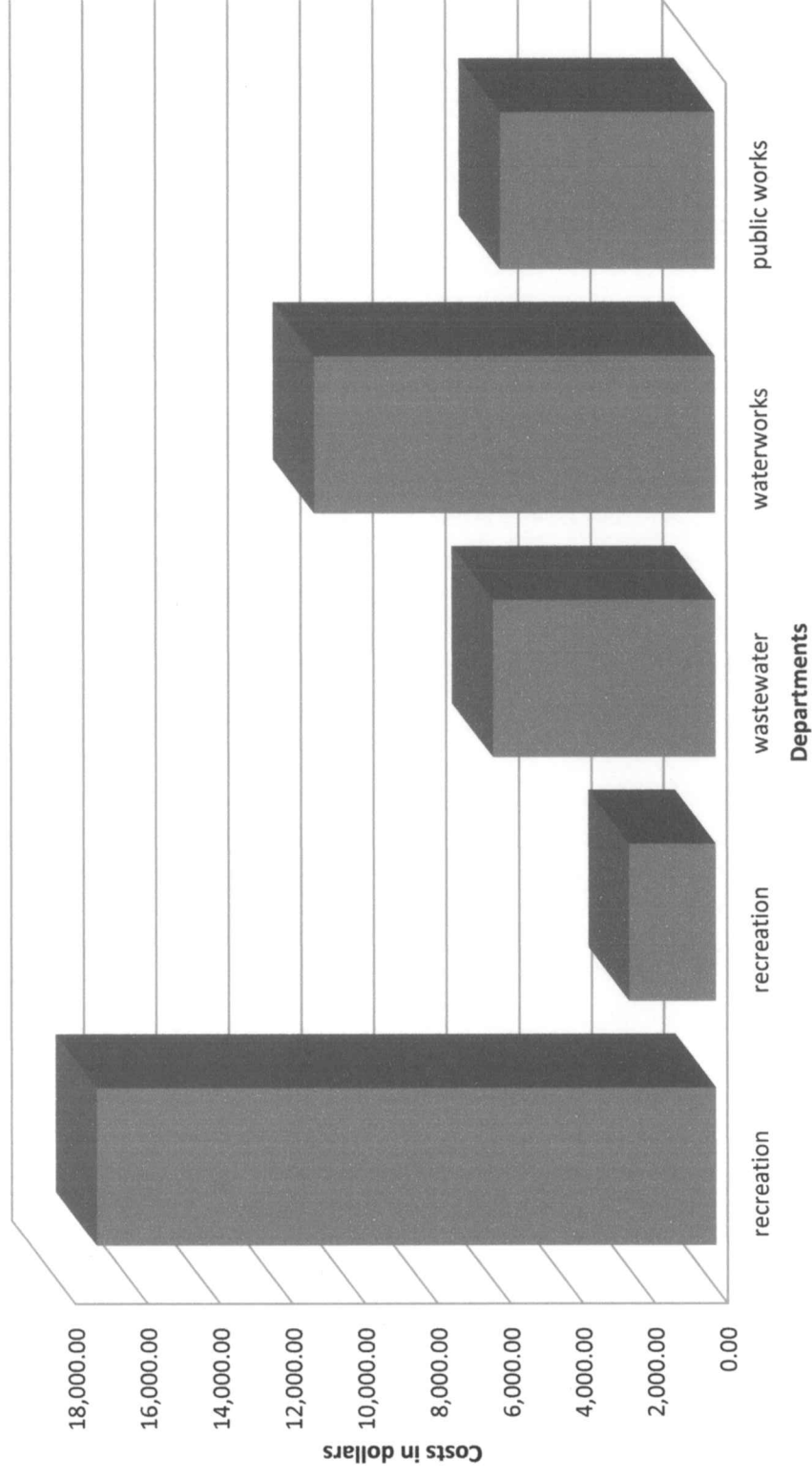
2012 Property Loss Report



Notes:

1. All Claims were paid by Parish SIR Fund (Self Insured Retention).
2. Parish property deduction is \$100,000 per occurrence
3. Policy Period 4/1/2012 - 4/1/2013 (three months remain).

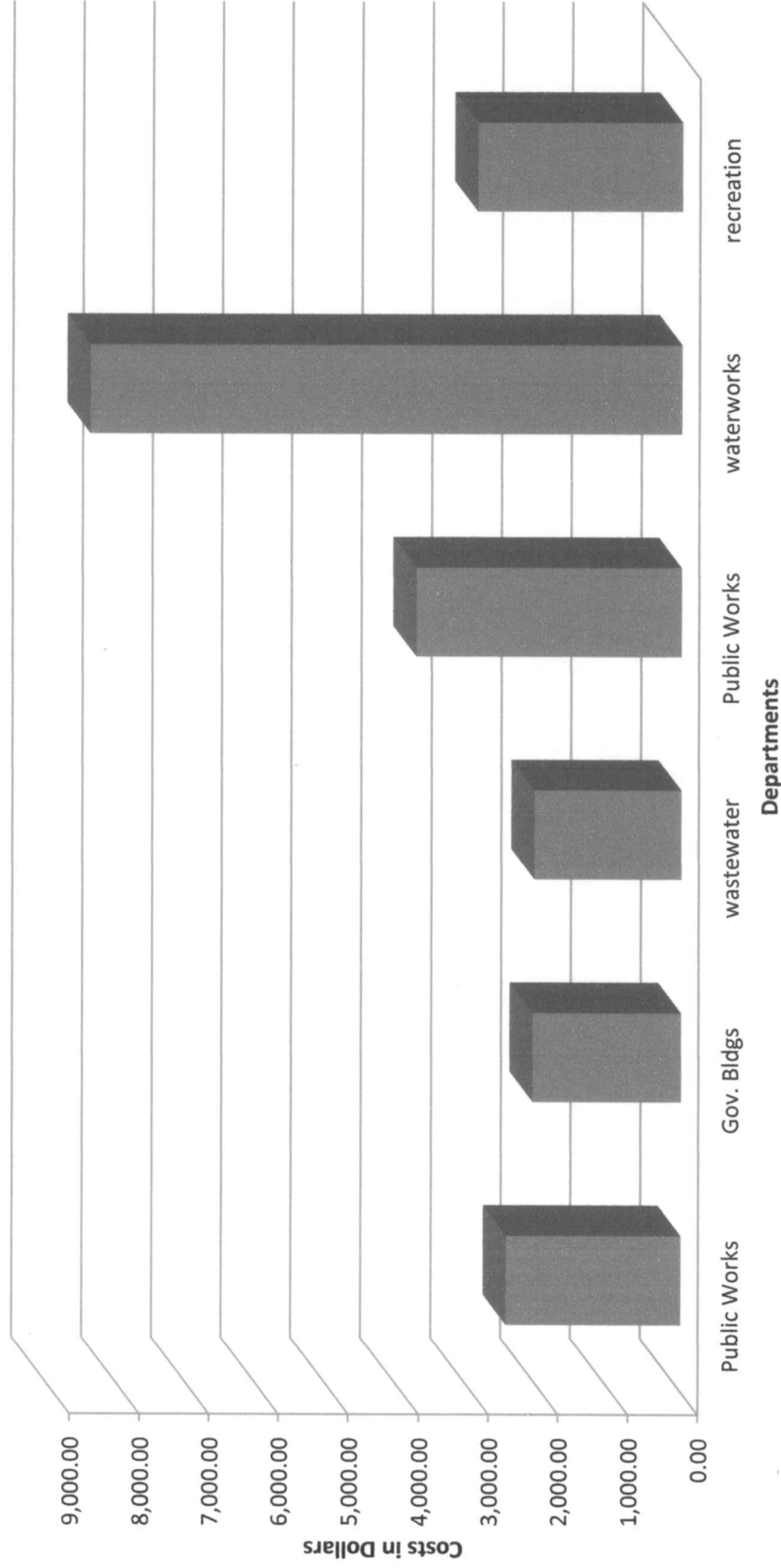
2011 Property Loss Report



Notes:

1. Parish property deduction is \$100,000 per occurrence
2. All claims were paid by Parish SIR Fund (Self Insured Retention)
3. Policy Period 4/1/2011 – 4/1/2012

2010 Property Loss Report



Notes:

1. All claims were paid by Parish SIR Fund (Self Insured Retention)
2. Parish property deduction is \$100,000 per occurrence
3. Policy Period 4/1/2010 – 4/1/2011